

OLD NATIONAL BANCORP /IN/  
Form 8-K  
January 30, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 24, 2008

OLD NATIONAL BANCORP

(Exact name of Registrant as specified in its charter)

Indiana

001-15817

35-1539838

(State or other jurisdiction  
of incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

One Main Street  
Evansville, IN 47708  
(Address of principal executive offices, including zip code)

(812) 464-1294  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 24, 2008, the Board of Directors of Old National Bancorp (the "Company"), upon recommendation of the Compensation and Management Development Committee of the Board (the "Compensation Committee") took several actions with respect to incentive compensation for the Company's Chief Executive Officer, Chief Financial Officer and other executive officers named in the compensation discussion included in the Company's proxy statement for its annual meeting held in 2007 (collectively, the "Named Executive Officers") and other executive officers. The actions taken include the establishment of performance goals and potential awards for fiscal year 2008 under the Company's Short-Term Incentive Compensation Plan, and the grant of long-term incentive awards under the Company's 1999 Equity Incentive Plan, as amended, in the form of performance-based restricted stock, service-based restricted stock and non-qualified stock options.

Short-term Incentive Compensation Plan

On January 24, 2008, the Board of Directors of the Company, upon recommendation of the Compensation Committee, established the performance goals and potential awards for the Named Executive Officers with respect to fiscal year 2008 under the Company's Short-Term Incentive Compensation Plan ("STIP"). For 2008, the incentive bonus paid under the STIP will be based on the level of achievement of the Company's earnings per share. Target awards for executive officers range from 40% to 75% of base salary, and maximum awards range from 80% to 150% of base salary.

Long-Term Incentive Awards

On January 24, 2008, the Board of Directors of the Company, upon recommendation of the Compensation Committee, approved the grant of performance-based and service-based restricted stock awards and non-qualified stock options to each of the Named Executive Officers pursuant to the Company's 1999 Equity Incentive Plan, as amended.

The performance-based restricted stock awards will be earned by the Named Executive Officers based on the achievement of certain financial factors at the end of the three-year period ending December 31, 2010. The financial factors include earnings per share growth, net charge-off ratio and revenue growth. The value of the shares of restricted stock subject to these performance-based awards that is presented in the table below is the value that will be earned if the Company achieves the targeted levels. If the Company performs in relation to the financial factors at levels that exceed the targeted levels, the value of the shares of restricted stock presented in the table below could be greater than that presented, but not more than 200% of such amounts.

The service-based restricted stock awards will vest annually in three approximately equal installments (33.3%, 33.3%, 33.4%) over a three-year period ending February 1, 2011, subject to the continued employment of the Named Executive Officer.

The non-qualified stock options were granted at an exercise price of \$15.29 (the closing price of the Company's common stock on the date of the grant) and will vest annually in three approximately equal installments (33.3%, 33.3%, 34.4%) over a three-year period ending February 1, 2011.

The following table sets forth information regarding the individual grants of restricted stock and stock options for each of the Named Executive Officers:

| Named Executive Officer | Value of Performance-Based Restricted Stock(1)(2) | Value of Service-Based Restricted Stock(1) | Number of Stock Options |
|-------------------------|---|--|-------------------------|
| Robert G. Jones         | \$535,150   | \$0  | 70,000                  |
| Barbara A. Murphy       | \$107,030   | \$53,515                                   | 25,000                  |
| Christopher A. Wolking  | \$107,030   | \$53,515                                   | 25,000                  |
| Annette W. Hudgions     | \$68,805  | \$30,580                                   | 14,000                  |
| Daryl D. Moore          | \$68,805  | \$30,580                                   | 14,000                  |

(1) Based on the closing market price of the Company's stock on the date of grant (\$15.29).

(2) As discussed above, Performance Based Restricted Stock Values are presented assuming the Company achieves targeted levels of financial performance established by the awards; if the Company performs better than established by the targeted measures, then additional stock could be issued under such awards, but not more than 200% of the values set forth above.

Item 9.01. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 99.1               | Form of 2008 Non-Qualified Stock Option Award Agreement           |
| 99.2               | Form of 2008 "Performance-Based" Restricted Stock Award Agreement |
| 99.3               | Form of 2008 "Service-Based" Stock Award Agreement                |

\* \* \* \* \*

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Old National

Bancorp  
(Registrant)

Date: January 30, 2008

By: /s/ Jeffrey L.  
Knight

Jeffrey L. Knight  
Executive Vice President and Chief Legal Counsel